

U.S. Trade Representative Robert B. Zoellick
Brazilian Foreign Minister Celso Lafer
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Zoellick: Well we appreciate all of you coming. I'm delighted to be here with my friend Celso Lafer. We actually still have some work to do today but since we heard you were all gathered here we thought we would come up and at least say a few words and then take a few questions and then finish and go back to work.

I just have a couple of comments to say. One is that I was delighted that the minister and I could get together today because this is a very important partnership between the United States and Brazil. It's important for the hemisphere, it's important globally, and I can't think of a better partner personally than my friend Celso. We've worked together on many issues over the past two years or so.

We've discussed a little bit about the ALCA or the FTAA where we will both become co-chairs moving forward and the preparations for the Quito meeting, and we talked about the WTO, where we both worked very closely together in the effort in Doha to try to launch those negotiations. And now the steps moving forward, and in particular where our countries obviously have a very strong interest, in the area of agriculture.

So we still have some other bilateral issues left to discuss, and actually some more in the Doha context, but I'm just very, very pleased that the minister was able to come. And we had a little bit of discussion about some of the things going on in the world more generally. And so I will ask him to come up.

Lafer: Well I have little to add to what Ambassador Zoellick has already said. We have had the opportunity as always to discuss issues of common interest, you all know that we have worked together, and very well, in many contexts. He has stressed what we did together and with all our other partners in the Doha ministerial meeting and, of course, we did discuss issues related to the agricultural negotiations within the context of WTO, which are an important issue for both our countries.

We did examine the responsibilities that we have before us as co-chairs of the FTAA process. And we believe that we will work constructively together. As he said, we did not have the time to still deal with the many issues of bilateral common interest. But as you all know we have had the opportunity to discuss, throughout these periods in which I have been in office, many issues of bilateral relationships and we have worked constructively on these matters. So may I just conclude by saying that as always it is a pleasure to analyze and discuss things with my good friend Bob Zoellick. And as he mentioned, we also looked at the broader horizon of the issues that exist in the world today. Thank you.

Reporter: Do you have, at this point, a deadline for a bilateral agreement between the United States and Brazil?

Zoellick: Well, we have not had any particular bilateral negotiations, other than on a series of items. For example when I was in Brazil we talked about the steel process, we had various exemptions, and we have offered various exclusions. There were a series of other issues that are of concern to Brazil and the United States. Our focus has been together on the ALCA, or the Free Trade of the Area of the Americas process and that has a deadline of January 2005 and then the Doha which is the same process.

Reporter: But it is my understanding that we have had some doubts about

Zoellick: We've also had discussions over the past in a four plus one context working with Mercosur . But we've had a close bilateral partnership because Brazil and the United States play a key role hemispherically and globally. But we've had no particular bilateral negotiations other than on individual items.

Lafer: The only thing I would like to add, even though we didn't have the time to discuss it, is that there is this four plus one structure that is Mercosur and the United States and we have a work program on the four plus one, and we are dealing with a series of issues of common interest. Be those related to certification and to the process of certification, which is important in terms of market access, be those related to phytosanitary processes.

Reporter: Do you expect to resolve the differences we are having in terms of methods and modalities...

Zoellick: That is an interesting question. Which of these are methods and which of them are not?

Reporter: Brazil would favor that countries under FTAA makes one offer --- everybody, with some exceptions for the smaller countries. And the United States ---will prefer a more flexible format in which it will do a series of different types of offers within that realm. Is this important-- -- difference---and do you expect to resolve it and resolve the other things ---

Zoellick: Well, obviously I'll let Celso speak for the Brazilian position. We did review, what we think are a number of the components for a successful Quito ministerial and those do include some of the methods of modality. I'm glad you asked that question, though because in the midst of all our discussions we didn't spend enough time on that. So when we go down we will talk more about that. But on that issue you're correct. What the United States would like to try to do is have the flexibility so that we can move at different paces in the negotiation for tariff reduction for different countries with different problems. But I think, what the key point I want to emphasize is that the work that has been done in the trade negotiating committee I think has brought all the countries far along on that methods and modality issues, as well as, other topics on the way to Quito.

Lafer: Well we didn't have the opportunity to discuss this issue but the view that Brazil has

presented corresponds with the one you have described.

Zoellick: Yes ...

Reporter: Ambassador Zoellick. . .

Zoellick: Now you're not going to walk away when I answer the question like you did yesterday...

Reporter: No no no, I would never do that.

Zoellick: We had a meeting on the Hill. Can you believe this in journalism? He asked me a question and then he saw somebody else and he ran off before I finished my lengthy answer.

(Laughter)

Zoellick: I figured it was a subtle way of saying keep your answer shorter.

(Laughter)

Zoellick: Please,

Reporter: Ambassador Zoellick, in brief, (laughter) this morning Foreign Minister Lafer said that since September 11th the understandable U.S. focus on security issues has meant that there has been less focus on some other issues in the world, and he mentioned the financial issues, economic issues, and trade issues specifically. Can you respond to that and try to wrap it all together in what the administration's views of these different issues are?

Lafer: In how many minutes? (Laughter)

Zoellick: Well obviously, in the world after September 11th, the President and many members of his senior team have been dealing with the threat of Al Qaeda, and now on the question of dealing with other security issues dealing with the enforcement of UN resolutions dealing with Iraq. But I do think we have been relatively versatile in being able to keep the process going and indeed, as the "Washington Post" reported, actually interconnect these issues. And so one of the points that I made in the aftermath of September 11th, was how important trade liberalization was to some of the larger challenges faced globally in the aftermath of September 11th. You will, of course, recall we did launch the Doha negotiation which others had not been able to launch in 99. It was not a small thing, I think, to get our Trade Promotion Authority through since that had been failed three times before. So I think that we have a pretty good record of where we're moving forward on trade and part of our discussion now is to keep moving forward, particularly with ALCA and with the WTO.

Reporter: On the WTO drug patents, whether companies override the patents, they can't make it in their own countries. Did you talk about that, did you resolve it, come close.

Zoellick: I'll let you start.

Lafer: Well, this is an issue that requires clarification. It is within the context of the WTO negotiations. We have a broad view regarding the scope of the TRIPS and health declaration but that is an ongoing process that will require still further negotiation.

Zoellick: What I would just add to that are a couple of things. One is that Minister Lafer and I, and his colleagues including Minister Serra worked very closely in Doha to get that declaration. And if it hadn't been for the cooperation and help, starting with President Cardoso, who had met President Bush shortly beforehand, I don't think we would have accomplished it. And I think that both our countries are proud of what was accomplished there in terms of showing the flexibility in the TRIPS agreement, the use of compulsory licensing. There is one issue left related to the specific question about, not the different countries, it's really a question of: if a country does not have the capability with the compulsory licensing to produce the pharmaceuticals in their own country how do we meet their need? And the United States put forward a proposal, a couple of months ago, because frankly we wanted to emphasize our good faith in resolving that last issue. And it's one of the issues that we hope that we can work with, around the world, to get resolved. There are a variety of views on this. There are a number of African countries that frankly have been sympathetic to our view but it's an issue that we hope we can employ the same good faith and resolve to get done by the end of the year.

Reporter: What kind of concerns do you have dealing with the Brazilian election in terms of the co-chair gaining office. Are you concerned with the setbacks or the delays?

Zoellick: As some of you know, I have taken part in election processes in the United States, and I know that during those processes it's appropriate for others to operate with a certain degree of sensitivity because the issues of trade and globalization are contentious topics in Brazil, the United States, and other countries. We work very well with our Brazilian colleagues, starting with the minister, but I also want to compliment his team in that process. And one of the points that I made on my visit to Brazil was that we see Brazil as a partner for the long term not just in the hemisphere, but globally. And so we hope to have a similar good working relationship with the next Brazilian administration but that's up to the Brazilian people to decide who it is.

Reporter: Can I just have follow up on this. Can you just list one concern you have with each of the three of the major candidates--

Zoellick: No.

(Laughter)

Zoellick: Blair wanted short answers, you got one. (Laughter) Thank you.

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